

Maryland Pharmacy Discount Program - Fact Sheet

PURPOSE: To extend Medicaid payment to two groups of people not currently eligible for Rx coverage under the State's Medical Assistance/Health Choice Program.

SUBMISSION DATE: June 13, 2001

IMPLEMENTATION DATE: July 30, 2002

POPULATIONS COVERED: state anticipates approx. 90,000 individuals will participate

Group I (46,000 participants)

- Not eligible for Medicaid
- Not eligible for Maryland Children's Health Insurance Program
- Do not exceed income and asset standards (below 116% FPL)

- Individuals enrolled on the State-only – Maryland's Pharmacy Assistance Program
This includes non-elderly who are not disabled but may have a chronic illness such as diabetes or high blood pressure.

- All Qualified Medicare Beneficiaries (QMBs)

Group II (44,000 participants)

- Medicare benes who do not qualify under Group I
- Income is at or below 175% of the FPL
- Dual eligibles are excluded

PRIMARY CARE BENEFITS:

Group I

- QMBs with Medicare coverage
- All participants in the state only pharmacy program are referred to the Maryland primary Care (MPC) program - receive comprehensive outpatient services
 - Age 19-64
 - no other type of insurance
 - have an on-going medical condition which requires at least 4 visits per year
 - Services available through network of primary care clinics (FQHCs)
 - Inpatient hospital services mandated by Maryland's all-payor hospital system.

Group II

- Receive benefits through Medicare

PRESCRIPTION BENEFITS:

- Open formulary
- State is designing a preferred drug list for in the future

Group I

- Presently receive a limited RX benefit (pharmacy and related supplies) under the State's Rx program

- Under this amendment- will receive **all** Medicaid formulary drugs
- Group II**
- Under this amendment, will receive **all** Medicaid formulary drugs

COST SHARING

Group I: Receive Medicaid Rx formulary drugs for \$5.00 co-pays

Group II: Receive Medicaid Rx formulary drugs at 65% co-insurance plus \$1.00 processing fee

Pharmacists are not required to dispense RX for those who do not pay the required co-pay. Participant will not be disenrolled from the program nor prevented from receiving any other RX for which they pay the co-pay.

No limitations on the number of refills except after 2 refills- need to see MD for further prescriptions.

For the future: State is considering a three-tiered co-pay and dispensing fee based on the preferred drug list.

COORDINATION WITH OTHER INSURANCE

Group I – have no other insurance

Group II – have Medicare and no other public or private RX coverage.

ADMINISTRATION:

- Individuals will be issued an ID card to indicate their membership in program
- Providers submits a claim to the State to determine subsidy amount and the amount due by the enrollee before dispensing the Rx and collecting payment from the enrollee
- State will bill the drug manufacturers quarterly to collect the Medicaid rebate.

BUDGET INFORMATION:

- Does not show the rebate offsets for FY 2002 and FY 2003 - per State this is included in the totals. The prior years show the actual rebate off-sets
- BN shows increase of 6.79 per member per month (pmpm)
- Within the BN approved \$390.77 pmpm for extension.
- Source of funding: Medicaid (Federal and State payments)
- Total cost for SFY 2003 – 2005 is \$269,582,615 (50% match state share: \$134,791,307)
- State's BN projections do not reflect how Medicaid expenditures will be reduced under the demonstration but instead reflect that there is room within the approved budget cap to subsume the expansion population.
- Maintenance of effort for spending – state will continue to contribute the same amount – probably more than in the past.

ISSUES:

- Consistency with Pharmacy Plus
Differences with Pharmacy Plus: different budget methodology, no coordination with other insurances; MD covers a broader population.
- Adding STC regarding the tracking of the UPL.